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DEPARTMENT OF STATE  
Biographic Information Division

June 1959  
J. L. R.

ERHARD, Ludwig

FEDERAL REPUBLIC OF GERMANY

Minister of Economics Ludwig Erhard, internationally renowned for his intimate connection with the "miracle" of Germany's recent prosperity, is one of the political figures most frequently mentioned as a possible successor to Chancellor Konrad Adenauer. First appointed Minister of Economics in 1949, Dr. Erhard was re-appointed in 1953 and in 1957 was, in addition, named vice-chancellor. Immensely popular with the public, he is probably the second most powerful man in the Christian Democratic Union (CDU).

Career

Ludwig Erhard was born February 1, 1897 in Wirth, Bavaria. After attending the Realchule in his native city, he entered the Imperial German Army in 1916 and in 1918 was severely wounded. Upon recovery he returned to his studies and in 1924 received a doctorate in political economy from the University of Frankfurt. He spent the next four years doing research for various business firms.

In 1928 Dr. Erhard joined the Institute for Economic Research at Nurnberg, first as a scientific assistant, then as division chief, and finally as director from 1933 to 1942 when he was forced to resign following a bitter dispute with Willy Liebel, Lord Mayor of Nurnberg and Reichsgruppenfuhrer. Erhard spent the last three years of World War II as Director of the Institute for Industrial Research in Nurnberg and Bayreuth. Never a member of the Nazi Party or any of its affiliates, Erhard is reported to have been in frequent contact with Karl Oederle, a leading figure in the July 1944 plot against Hitler.

Immediately after the German collapse in May 1945, Dr. Erhard was appointed economic adviser to the American Military Government in Upper and Middle Franconia. In October 1945 he was named Bavarian State Minister of Economics, a position he held until December 1946 when he resigned to become Director of the Money and Credit Office of the Bizonal Economics Administration. While occupying this position Erhard prepared the currency reform of 1948, often considered the basis for the subsequent prosperity of the Federal Republic.

Erhard entered political life in 1949 with his election to the Bundestag as CDU deputy from the Ulm district in Baden-Wuerttemberg. In September 20, 1949 he was appointed Minister of Economics and has since been re-appointed in 1953 and 1957. In March 1959 he was nominated a candidate for the Presidency of the Federal Republic, a largely ceremonial position, but declined the honor, stating that he preferred to remain Minister of Economics.

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The Economist

Apostle of the "free market economy," Dr. Erhard is the outstanding German exponent of an unfettered economic system, with freedom, but not socialistic, aims. He has often proclaimed that business exists to serve the need of the national community. Erhard is a supporter of European union and of German participation in the Coal-Steel Community (CSC). He feels, however, that the CSC and similar projects can achieve only limited objectives, and that, because of the controls and administrative apparatus entailed, further economic integration would not be in the interest of a freer and more productive European economy. Erhard believes that the indispensable condition for the restoration of European economic unity is the elimination of financial and economic controls, cartels, and all forms of trade discrimination.

Erhard's successful efforts to secure passage of an anti-cartel law have involved him in some fairly rancorous disputes with German industrialists. The most recent flare-up occurred in March 1959 when Carl Neumann, vice president of the powerful Federation of West German Industry and head of the National Association of Textile Industry, stated that continued uncompromising adherence to Erhard's principles would lead to self-destruction in many industries and called for entirely new economic concepts. According to the Embassy in Bonn, Neumann's attack seemed to bear out rumors that some influential industrial circles had made concerted efforts to have Erhard nominated as a candidate for the presidency in an attempt to remove the inconvenient Economics Minister from active politics. The Embassy added that the reaction of the CDU Bundestag faction, many economic observers, and the general public clearly demonstrated Erhard's continued widespread popularity in the Federal Republic.

A firm believer in German alignment with the West, Erhard is enthusiastically pro-American. He frequently takes public cognizance of American financial contributions to West Germany and in 1951 declared: "America has given us the courage and strength to start life anew."

Personal

Erhard is an extrovert radiating an atmosphere of energy, well-being, optimism, and vigor. An able extemporaneous speaker, he is probably a better talker than listener, since he is firmly convinced of the correctness of his opinions. In discussing economic problems he is inclined to be decisive, somewhat professorial, and forceful to the point of being rough.

Portright and impatient, Erhard cannot be called diplomatic either in action or speech. During the course of his good-will tour of southeast Asia, his bluntness caused a considerable furor among hypersensitive local officials. In Ceylon, for example, the Minister of Food and Agriculture informed Erhard

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that Ceylon did not want any private investments from the "capitalist" countries; to this Erhard replied that he was glad, because he was not prepared to recommend to any German investors that they put their money in Ceylon.

His opponents claim that Erhard has little talent for the political and parliamentary game which he would be required to play should he become Federal Chancellor; heretofore his interest in party politics appears to have been confined to obtaining support for the implementation of his economic plans. He is also said to be a poor administrator. Both his friends and his enemies agree that Erhard's primary interest is in economic matters and that he is not notably well-informed or very interested in foreign affairs.

Dr. Erhard smokes cigars almost constantly and drinks liberally but with no visible effect. He has been married since 1923 to the former Inise Lotter; there are no children. Dr. Erhard is a Protestant.

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April 1959

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